



Newport Center Mortgage

Residential Real Estate Financing

December 23, 2009

Federal Reserve
VIA Fax (202) 452-3819

RE: Regulation Z-Truth in Lending – Closed End Mortgages (R-1366)

To Whom It May Concern:

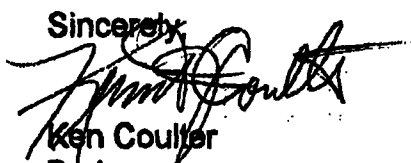
I have been in the residential real estate finance for 30 years. Since 1997 I have been a mortgage broker operating in the State of California.

The some of the proposed changes to R-1366 will have an adverse impact on the home loan financing.

The elimination of the Yield Spread Premium (YSP) would not permit the option of a no cost no fee loan for borrowers eliminating lowering closing costs for first time low income buyers or borrower refinancing that will remain in the property for only a few more years. This would reduce options for consumers to choose pricing options that meet there needs. This approach will increase the closing costs for small loan amounts. In addition many brokers/loan originations will reduce lending, and mortgage broker competition eliminated leaving half dozen big banks to control the market. Each property and borrower is unique and the new loan should be customized to meet the needs of the customer. Customer service will be reduced and the cost of mortgage financing will go up as a result of residential real estate financing being done only by a few big banks.

Please consider the above comments prior to making your final decisions regarding proposed changes to (R-13661).

Sincerely,


Ken Coulter
Broker
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